

Office of Finance, Boston City

Letter of Finance

LEWPP/1 - 1964 Covert Income Tax Return

2022-6036

1. Based on the copy of subject's overt 1964 Federal income tax return forwarded with reference, Headquarters has prepared Subject's 1964 covert return. The covert return is identical to the overt return with the following exceptions:

A. Income on line 6 has been increased by \$5,000, Subject's overt compensation paid to him during 1964. This income is reported on Schedule C.

B. Since it was more advantageous to Subject to claim his foreign income taxes as an itemized deduction instead of claiming a foreign tax credit, the total itemized deductions have been increased from \$172.00 to \$2,017.00.

C. It is requested that Subject review, sign and return the attached return to Headquarters as soon as possible together with his remittance of the tax due, \$49.00 plus statutory interest computed at the rate of $\frac{1}{2}$ of 1% per month from 10 April 1965 to date of payment. Personal checks in payment of covert tax liabilities must be made payable to a fictitious payee.

D. In advising Subject's overt tax return it has been noted that Subject claims a foreign tax carryover on his Form 1115 according to the difference between the total foreign tax paid and that allowed as a foreign tax credit. This is not correct. The carryover is limited to the difference between the limitations (Column 12) and the allowable credit (Column 13). Therefore, Subject has no foreign tax carryover for any of the years listed.

Attachment:

1964 Covert Return

DAPA B. PERINSON

Distribution:

3 - Addressee/r/attach.

2022-6036

24 February 1966

S-E-C-O-D-E-P

62

3 - CTD/CTB

2 - Division

1 - WF Reg.

1 - KY/DP

KW/KP

c/mz/63

2331

1/RS

LILLY PEE